



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 6  
1445 ROSS AVENUE, SUITE 1200  
DALLAS, TX 75202-2733

JAN 19 1996

Mr. Joe Hoover, Manager  
Enforcement Branch  
Hazardous Waste Division  
Arkansas Department of Pollution  
Control and Ecology  
P.O. Box 8913  
Little Rock, AR 72219-8913

Dear Mr. Hoover:

The Environmental Protection Agency (EPA) reviewed the December 11, 1995, letter requesting an alternate schedule to July 1, 1996, in issuing formal enforcement to Atlantic Research Corporation (ARD091688283) and Rineco Chemical Industries (ARD981057870). The facilities were inspected and high and medium priority violations were documented. The letter provides sufficient justification for an alternate schedule; therefore, EPA concurs with the request.

If you have any questions on this matter, please call me at (214) 665-2192 or your staff may call Ms. Katy Griffith at (214) 665-8531.

Sincerely yours,

*Joel Dougherty*

107 Mark W. Potts, Chief  
ALONM Section

Hazardous Waste Enforcement Branch



STATE OF ARKANSAS  
DEPARTMENT OF POLLUTION CONTROL AND ECOLOGY  
HAZARDOUS WASTE DIVISION  
8001 NATIONAL DRIVE, P.O. BOX 8913  
LITTLE ROCK, ARKANSAS 72219-8913  
PHONE: (501) 682-0744  
FAX: (501) 682-0880



December 11, 1995

Katy Griffith (6H-HS)  
Arkansas Project Officer  
U.S. EPA, Region 6  
1445 Ross Avenue, Suite 1200  
Dallas, Texas 75202-2733



RE: Coordination of an Alternate Schedule for RCRA Enforcement Response

Dear Ms. Griffith:

The Arkansas Department of Pollution Control and Ecology (ADPC&E) has designated an alternate schedule to the time frame established in the Enforcement Response Strategy (ERP) in accordance with the FY95/96 Multiyear Enforcement Memorandum of Understanding (MOU) between the Environmental Protection Agency (EPA) and the ADPC&E for the below named enforcement case. The alternate schedule is necessary due to adherence to ADPC&E Regulation No. 8 ADMINISTRATIVE PROCEDURES by the ADPC&E which allows greater efficiency in achieving timely FINAL enforcement and environmental results. The justification is due to complex legal issues related to applicability of ADPC&E Regulation No. 23 requirements to certain facility activities.

The ADPC&E, under the alternate schedule, shall follow all ERP time frames except the alternate action date of July 1, 1996, for Atlantic Research Corporation (ARD091688283) and Rineco Chemical Industries (ARD981057870) shall be considered timely for issuing, referring, and/or initiating a formal enforcement action.

If any additional coordination regarding this alternate schedule is necessary, please contact Penny Wilson of my staff within 10 working days at (501) 682-0868.

Sincerely,

Joseph M. Hoover  
Manager, Enforcement Branch  
Hazardous Waste Division

cc: FY96 RCRA Program File  
Penny J. Wilson, Inspector, HWD









STATE OF ARKANSAS  
DEPARTMENT OF POLLUTION CONTROL & ECOLOGY  
HAZARDOUS WASTE DIVISION  
8001 NATIGNAL DRIVE, P.O. BOX 8913  
LITTLE ROCK, ARKANSAS 72219-8913  
PHONE: (501)562-6533 FAX: 562-2541



March 24, 1995

Katy Griffith (6H-HS)  
Arkansas Project Officer  
U.S. Environmental Protection Agency, Region 6  
1445 Ross Avenue, Suite 1200  
Dallas, Texas 75202-2733



**RE: Coordination of an Alternate Schedule for RCRA Enforcement Response for Atlantic Research Corporation (CEI dated 8/16/93).**

Dear Ms. Griffith:

The Arkansas Department of Pollution Control and Ecology (ADPC&E), has designated an alternate schedule to the timeframe established in the Enforcement Response Strategy (ERP) in accordance with the FY95/96 Multiyear Enforcement Memorandum of Understanding (MOU) between the Environmental Protection Agency (EPA) and the ADPC&E for the below named enforcement case. The alternate schedule is necessary due to adherence to ADPC&E Reg. 8 ADMINISTRATIVE PROCEDURES by the ADPC&E which allows greater efficiency in achieving timely FINAL enforcement and environmental results. The justification is due to complex legal issues related to applicability of ADPC&E Reg. 23 requirements to certain facility activities.

The ADPC&E, under the alternate schedule, shall follow all ERP timeframes except the alternate action date of October 1, 1995, for Atlantic Research Corporation (ARD091688283) shall be considered timely for issuing, referring, and/or initiating a formal enforcement action.

If any additional coordination regarding this alternate schedule is necessary, please contact Gordon Burr of my staff within 10 working days at (501) 570-2889.

Sincerely,

Joseph M. Hoover  
Manager, Enforcement Branch  
Hazardous Waste Division

JH/JAB/ARC.alt

cc: FY95 RCRA Program File  
Gordon Burr, MPAI, HWD  
Ann Blake, AAI, HWD





RECORD OF COMMUNICATION	x	Phone call		Conference	DATE: 4/23/93
		Discussion		Other	TIME: 2:00 pm
TO: Arkansas FY 93 Enforcement File FROM: Jeanne McDaniels Enforcement Oversight Coordinator					
SUBJECT: Alternate Schedule Request Approval					

**Summary of Communication:**

On April 15, 1993, the Grants and Authorization Section received the attached alternate scheduled request for the following ADPC&E enforcement cases:

1. Amity Paint 8/24/92 (HPV)
2. Arkansas Army National Guard 8/23/90 (HPV)
3. Arkansas Cutting Tools 1/6/92 (MPV)
4. Atlantic Research 3/31/92 (MPV)
5. ENSCO 11/13/91 (HPV)
6. ENSCO 5/19/92 (HPV)
7. ENSCO 6/19/91 (MPV)
8. Ethyl 7/30/92 (MPV)
9. Hoover Wood 12/3/91 (MPV)
10. W. Memphis Jet 7/7/92 (MPV)
11. Ft. Chaffee 9/19/91 (MPV)

During the Mid-year evaluation on April 21, 1993, I discussed the alternate schedule request with Joe Hoover of ADPC&E and advised him they were approvable.

On April 23, 1993, I contacted Joe Hoover at ADPC&E to confirm EPA's approval of the alternate schedule request.

Attachment

*per Jeanne McDaniels - 6/18/93  
ADPC&E negotiating a final  
Order rather than an  
initial Order*

Information copies to:



STATE OF ARKANSAS  
DEPARTMENT OF POLLUTION CONTROL & ECOLOGY  
HAZARDOUS WASTE DIVISION  
8001 NATIONAL DRIVE, P.O. BOX 8913  
LITTLE ROCK, ARKANSAS 72219-8913  
PHONE: (501)562-6533 FAX: 562-2541



April 13, 1993

La'Monica Williams (6H-HS)  
Arkansas Project Officer  
U.S. Environmental Protection Agency, Region 6  
1445 Ross Avenue, Suite 1200  
Dallas, Texas 75202-2733

**RE: Alternate Schedule Request for RCRA Enforcement Response**

Dear Ms. Williams:

The Arkansas Department of Pollution Control and Ecology (ADPC&E), requests an alternate schedule to the timeframes established in the Enforcement Response Strategy (ERP) and incorporated by reference in the FY93 Enforcement Memorandum of Understanding (MOU) between the Environmental Protection Agency (EPA) and the ADPC&E for the below named enforcement cases. The alternate schedules are necessary due to the novel legal issues (approach) utilized by the ADPC&E which allow greater efficiency in achieving timely FINAL enforcement and environmental results. The ADPC&E enforcement process is detailed in the 1993 ADPC&E RCRA Enforcement Strategy.

The ADPC&E, under the requested alternate schedule, shall follow all ERP timeframes except the alternate action dates listed below shall be considered timely for issuing, referring, and/or initiating formal enforcement actions.


The above stated alternate schedule is requested for the following HPV and/or MPV violators:

FACILITY NAME	EPA ID #	CLASS	DATE OF INSP.	ALT. ACTION DATE
1.Amity Pnt.	ARD983286337	HPV	08/24/92	09/30/93
2.Ark Army	ARD982552739	HPV	08/23/90	09/30/93
3.Ark Cut TL	ARD154238109	MPV	01/06/92	05/31/93
4.Atlantic RS	ARD091688283	MPV	03/31/92	09/30/93
5.ENSOCO	ARD069748192	HPV	11/13/91	05/31/93
6.ENSOCO	ARD069748192	HPV	05/19/92	05/31/93
7.ENSOCO	ARD069748192	MPV	06/19/91	05/31/93

8.Ethyl	ARD052528809	MPV	07/30/92	09/30/93
9.Hoover WD	ARD092915990	MPV	12/03/91	09/30/93
10.W.Mem.Jet	ARD983286345	MPV	07/07/92	09/30/93
11.Ft.Chaff.	AR9210020187	MPV	09/19/91	09/30/93

If this alternate schedule is acceptable please notify me within 15 working days. Your attention to this matter is most appreciated.

Sincerely,

  
Joseph M. Hoover  
Manager, Enforcement Branch  
Hazardous Waste Division

JH/cm817





I. En F.

**Sequa Corporation**

200 Park Avenue  
New York, New York 10166  
212 986-5500

**SEQUA**

Director  
Arkansas Department of Pollution  
Control and Ecology  
8001 National Drive  
Little Rock, Arkansas 72209

Re: Atlantic Research Corporation (Owner or Operator)

I am the chief financial officer of Sequa Corporation, 200 Park Avenue, New York, New York 10166. This letter is in support of the use of the financial test to demonstrate financial responsibility for liability coverage and closure and/or post-closure care as specified in Subpart H of 40 CFR Parts 264 and 265.

The firm identified above is the owner or operator of the following facilities for which liability coverage for sudden accidental occurrences is being demonstrated through the financial test specified in Subpart H of 40 CFR Parts 264 and 265:

Atlantic Research Corporation  
5945 Wellington Road  
Gainesville, Virginia 22312  
EPA # VAD 023741705

Atlantic Research Corporation  
Route 621  
Rhoadesville, Virginia 22542  
EPA # VAD 901112618

Atlantic Research Corporation  
Walton Road, Highland Ind. Park  
Camden, Arkansas 71701  
EPA # ARD 091688283

The firm identified above guarantees, through the guarantee specified in Subpart H of 40 CFR Parts 264 and 265, liability coverage for sudden accidental occurrences at the following facilities owned or operated by the following:

Atlantic Research Corporation  
5945 Wellington Road  
Gainesville, Virginia 22312  
EPA # VAD 023741705



Atlantic Research Corporation  
Route 621  
Rhoadesville, Virginia 22542  
EPA # VAD 981112618

Atlantic Research Corporation  
Walton Road, Highland Ind. Park  
Camden, Arkansas 71701  
EPA # ARD 091688283

The firm identified above is the direct or higher-tier parent corporation of the owner or operator.

1. The firm identified above owns or operates the following facilities for which financial assurance for closure or post-closure care or liability coverage is demonstrated through the financial test specified in Subpart H of 40 CFR Parts 264 and 265. The current closure and/or post-closure cost estimates covered by the test are shown for each facility:

Atlantic Research Corporation  
5945 Wellington Road  
Gainesville, Virginia 22065  
EPA # VAD 023741705  
Closure costs: \$36,460.

Atlantic Research Corporation  
Route 621  
Rhoadesville, Virginia 22542  
EPA # VAD 981112618  
Closure costs: \$36,460.

Atlantic Research Corporation  
Walton Road, Highland Ind. Park  
Camden, Arkansas 71701  
EPA # ARD 091688283  
Closure costs: \$39,175.

2. The firm identified above guarantees, through the guarantee specified in Subpart H of 40 CFR Parts 264 and 265, the closure and post-closure care or liability coverage of the following facilities owned or operated by the guaranteed party. The current cost estimates for the closure or post-closure care so guaranteed are shown for each facility:

Atlantic Research Corporation  
5945 Wellington Road  
Gainesville, Virginia 22065  
EPA # VAD 023741705  
Closure costs: \$36,460.

Atlantic Research Corporation  
Route 621  
Rhoadesville, Virginia 22542  
EPA # VAD 981112618  
Closure costs: \$36,460.

Atlantic Research Corporation  
Walton Road, Highland Ind. Park  
Camden, Arkansas 71701  
EPA # ARD 091688283  
Closure costs: \$39,175.

3. In States where EPA is not administering the financial requirements of Subpart H of 40 CFR Parts 264 and 265, this firm is demonstrating financial assurance for the closure or post-closure care of the following facilities through the use of a test equivalent or substantially equivalent to the financial test specified in Subpart H of 40 CFR Parts 264 and 265. The current closure or post-closure cost estimates covered by such a test are shown for each facility:

Atlantic Research Corporation  
5945 Wellington Road  
Gainesville, Virginia 22065  
EPA # VAD 023741705  
Closure cost: \$36,460.

Atlantic Research Corporation  
Route 621  
Rhoadesville, Virginia 22542  
EPA # VAD 981112618  
Closure cost: \$36,460.

4. The firm identified above owns or operates the following hazardous waste management facilities for which financial assurance for closure or, if a disposal facility, post-closure care, is not demonstrated either to EPA or a State through the financial test or any other financial assurance mechanism specified in Subpart H of 40 CFR Parts 264 and 265 or equivalent or substantially equivalent State mechanisms. The current closure and/or post-closure cost estimates not covered by such financial assurance are shown for each facility:

NONE

5. The firm is the owner or operator of the following UIC facilities for which financial assurance for plugging and abandonment is required under 40 CFR Part 144. The current closure cost estimates as required by 40CFR 144.62 are shown for each facility.



U.S. 30. 09 11:12 AM 1988

This firm is required to file a Form 10K with the Securities and Exchange Commission (SEC) for the latest fiscal year.

The fiscal year of this firm ends on December 31, 1988. The figures for the following items marked with an asterisk are derived from this firm's independently audited, year-end financial statements for the latest completed fiscal year, ended December 31, 1988.

Part B. Closure or Post-Closure Care and Liability Coverage

ALTERNATIVE 1


1.	Sum of current closure and post-closure cost estimates	\$ 112,095	
2.	Amount of annual aggregate liability coverage to be demonstrated	\$2,000,000	
3.	Sum of lines 1 and 2	\$2,112,095	
4.	Total liabilities (if any portion of the closure or post-closure cost estimates is included in your total liabilities, you may deduct the amount of that portion from this line and add that amount to lines 5 and 6)	\$1,258.6 M*	
5.	Tangible net worth	\$ 277.6 M*	
6.	Net Worth	\$ 700.5 M*	
7.	Current assets	\$ 786.3 M*	
8.	Current liabilities	\$ 424.2 M*	
9.	Net working capital (line 7 minus line 8)	\$ 362.1 M*	
10.	The sum of net income plus depreciation, depletion, and amortization	\$ 142.8 M*	
11.	Total assets in U.S. (required only if less than 90 percent of assets are located in the U.S.)	\$1,601.2 M*	
		YES	NO
		x	
12.	Is line 5 at least \$10 million?	<u>      </u>	<u>      </u>
		x	
13.	Is line 5 at least 6 times line 3?	<u>      </u>	<u>      </u>

- |  |   |       |       |
|--|---|-------|-------|
| 14. Is line 9 at least 6 times line 3?   | X | _____ | _____ |
| 15. Are at least 90 percent of assets located in the U.S.? If not, complete line 16. |   | _____ | X     |
| 16. Is line 11 at least 6 times line 3?  | X | _____ | _____ |
| 17. Is line 4 divided by line 6 less than 2.0?                                       | X | _____ | _____ |
| 18. Is line 10 divided by line 4 greater than 0.1?                                   | X | _____ | _____ |
| 19. Is line 7 divided by line 8 greater than 1.5?                                    | X | _____ | _____ |

I hereby certify that the wording of this letter is identical to the wording specified in 40 CFR 264.151(g) as such regulations were constituted on the date shown immediately below.

SEQUA CORPORATION

By

  
 Gerald S. Gutterman  
 Chief Financial Officer  
 Executive VP Finance and  
 Administration

March 17, 1989



ARTHUR ANDERSEN & CO.  
NEW YORK, N. Y.

To Sequa Corporation:

We have audited, in accordance with generally accepted auditing standards, the consolidated financial statements of Sequa Corporation and subsidiaries for the year ended December 31, 1988, and have issued our report thereon dated March 17, 1989. We have not performed any auditing procedures since that date.

At your request, we have read the letter dated March 17, 1989, from Mr. Gerald S. Gutterman, your chief financial officer, to the Director of the Arkansas Department of Pollution Control and Ecology and compared the data included in Part B.4 through B.11 of Alternative I therein that are specified as having been derived from the audited financial statements for the year ended December 31, 1988, referred to above, with the corresponding amounts in those financial statements. In connection with this procedure, no matters came to our attention that caused us to believe that the specified data should be adjusted.

This report is furnished solely for the use of the Company and the Arkansas Department of Pollution Control and Ecology and is not to be used for any other purpose.

*Arthur Andersen & Co.*

March 28, 1989

**Sequa Corporation**

200 Park Avenue  
New York, New York 10166  
212 956-5500

**SEQUA**

**CORPORATE GUARANTEE FOR  
LIABILITY COVERAGE**

Guarantee made this 17<sup>th</sup> day of March, 1989 by Sequa Corporation, a business corporation organized under the laws of the State of Delaware, herein referred to as guarantor. This guarantee is made on behalf of our subsidiary, Atlantic Research Corporation ("ARC") of 5945 Wellington Road, Gainesville, Virginia 22065, to any and all third parties who have sustained or may sustain bodily injury or property damage caused by sudden accidental occurrences arising from the operation of the facility(ies) covered by this guarantee.

**RECITALS**

1. Guarantor meets or exceeds the financial test criteria and agrees to comply with the reporting requirements for guarantors as specified in 40 CFR 264.147(g) and 265.147(g).

2. ARC owns or operates the following hazardous waste management facility(ies) covered by this guarantee:

5945 Wellington Road  
Gainesville, Virginia 22065  
EPA ID# VAD023741705

Walton Road, Highland Industrial Park  
Camden, Arkansas 71701  
EPA ID# ARD091688283

Route 621  
Rhoadesville, Virginia 22542  
EPA ID #VAD981112618

This corporate guarantee satisfies RCRA third-party liability requirements for sudden accidental occurrences in above-named owner or operator facilities for coverage in the amount of \$1,000,000 for each occurrence and \$2,000,000 annual aggregate.

3. For value received from ARC, guarantor guarantees to any and all third parties who have sustained or may sustain bodily injury or property damage caused by sudden accidental occurrences arising from operations of the facility(ies) covered by this guarantee that in the event that ARC fails to satisfy a judgment or award based on a determination of liability for bodily injury or property damage to third parties caused by sudden accidental occurrences, arising from the operation of the above-named facilities, or fails to pay an amount agreed to in settlement of a claim arising from or alleged to arise from such injury or damage, the guarantor will satisfy such judgment(s), award(s) or settlement agreement(s) up to the limits of coverage identified above.



4. Such obligation does not apply to any of the following:

- (a) Bodily injury or property damage for which ARC is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that ARC would be obligated to pay in the absence of the contract or agreement.
- (b) Any obligations of ARC under a workers' compensation, disability benefits, or unemployment compensation law or any similar law.
- (c) Bodily injury to:
  - (1) An employee of ARC arising from, and in the course of employment by ARC; or
  - (2) The spouse, child, parent, brother or sister of that employee as a consequence of, or arising from, and in the course of employment by ARC. This exclusion applies:
    - (A) Whether ARC may be liable as an employer or in any other capacity; and
    - (B) To any obligation to share damages with or repay another person who must pay damages because of the injury to persons identified in paragraphs (1) and (2).
- (d) Bodily injury or property damage arising out of the ownership, maintenance, use or entrustment to others of any aircraft, motor vehicle or watercraft.
- (e) Property damage to:
  - (1) Any property owned, rented, or occupied by ARC;
  - (2) Premises that are sold, given away or abandoned by ARC if the property damage arises out of any part of those premises;
  - (3) Property loaned to ARC;
  - (4) Personal property in the care, custody or control of ARC;
  - (5) That particular part of real property on which ARC or any contractors or subcontractors working directly or indirectly on behalf of ARC are performing operations, if the property damage arises out of these operations.

5. Guarantor agrees that if, at the end of any fiscal year before termination of this guarantee, the guarantor fails to meet the financial

test criteria, guarantor shall send within 90 days, by certified mail, notice to the EPA Regional Administrators for the Regions in which the facilities are located and to ARC that he intends to provide alternate liability coverage as specified in 40 CFR 264.147 and 265.147, as applicable, in the name of ARC. Within 120 days after the end of such fiscal year, the guarantor shall establish such liability coverage unless ARC has done so.

6. The guarantor agrees to notify the EPA Regional Administrator by certified mail of a voluntary or involuntary proceeding under Title 11 (Bankruptcy), U.S. Code, naming guarantor as debtor, within 10 days after commencement of the proceeding.

7. Guarantor agrees that within 30 days after being notified by an EPA Regional Administrator of a determination that guarantor no longer meets the financial test criteria or that he is disallowed from continuing as a guarantor, he shall establish alternate liability coverage as specified in 40 CFR 264.147 or 265.147 in the name of ARC, unless ARC has done so.

8. Guarantor reserves the right to modify this agreement to take into account amendment or modification of the liability requirements set by 40 CFR 264.147 and 265.147, provided that such modification shall become effective only if a Regional Administrator does not disapprove the modification within 30 days of receipt of notification of the modification.

9. Guarantor agrees to remain bound under this guarantee for so long as ARC must comply with the applicable requirements of 40 CFR 264.147 and 265.147 for the above-listed facility(ies), except as provided in paragraph 10 of this agreement.

10. Guarantor may terminate this guarantee by sending notice by certified mail to the EPA Regional Administrators for the Regions in which the facilities are located and to ARC, provided that this guarantee may not be terminated unless and until ARC obtains, and the EPA Regional Administrators approve, alternate liability coverage complying with 40 CFR 264.147 and/or 265.147.

11. Guarantor hereby expressly waives notice of acceptance of this guarantee by any party.

12. Guarantor agrees that this guarantee is in addition to and does not affect any other responsibility or liability of the guarantor with respect to the covered facilities.

13. The Guarantor shall satisfy a third-party liability claim only on receipt of one of the following documents:

- (a) Certification from the Principal and the third-party claimant(s) that the liability claim should be paid. The certification must be worded as follows, except that instructions in brackets are to be replaced with the relevant information and the brackets deleted:



03. 30. 89 11:12 AM \*SEQUA HACKENSACK 720

Certification of Valid Claim

The undersigned, as parties [insert Principal] and [insert name and address of third-party claimant(s)], hereby certify that the claim of bodily injury and/or property damage caused by a [sudden or nonsudden] accidental occurrence arising from operating [Principal's] hazardous waste treatment, storage, or disposal facility should be paid in the amount of \$[\_\_\_\_\_].

[Signatures]  
Principal

(Notary) Date

[Signatures]  
Claimant(s)

(Notary) Date

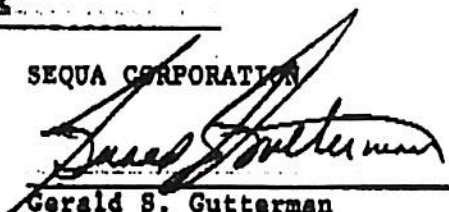
- (b) A valid final court order establishing a judgment against the Principal for bodily injury or property damage caused by sudden or nonsudden accidental occurrences arising from the operation of the Principal's facility or group of facilities.

14. In the event of combination of this guarantee with another mechanism to meet liability requirements, this guarantee will be considered primary coverage.

I hereby certify that the wording of the guarantee is identical to the wording specified in 40 CFR 264.151(h)(2) as such regulations were constituted on the date shown immediately below:

Effective date: MARCH 31, 1988

SEQUA CORPORATION

  
Gerald S. Gutterman  
Executive Vice President and CFO

Witness:

K. C. Meill 3/17/89  
Name Date



**Sequa Corporation**

200 Park Avenue  
New York, New York 10166  
212 986-5500

**SEQUA**

**CORPORATE GUARANTEE FOR CLOSURE  
OR POST-CLOSURE CARE**

Guarantee made this 17<sup>th</sup> day of March, 1989 by Sequa Corporation, a business corporation organized under the laws of the State of Delaware, herein referred to as guarantor, to the United States Environmental Protection Agency (EPA), obligee, on behalf of our subsidiary Atlantic Research Corporation ("ARC") of 5945 Wellington Road, Gainesville, Virginia 22065.

**Recitals**

1. Guarantor meets or exceeds the financial test criteria and agrees to comply with the reporting requirements for guarantors as specified in 40 CFR 264.143(f), 264.145(f), 265.143(e), and 265.145(e).

2. ARC owns or operates the following hazardous waste management facilities covered by this guarantee:

5945 Wellington Road  
Gainesville, Virginia 22065  
EPA ID# VAD023741705  
Closure and Post-closure Care

Walton Road, Highland Industrial Park  
Camden, Arkansas 71701  
EPA ID# ARD091688283  
Closure and Post-closure Care

Route 621  
Rhoadesville, Virginia 22542  
EPA ID# VAD981112618  
Closure and Post-closure Care

3. "Closure plans" and "post-closure plans" as used below refer to the plans maintained as required by Subpart G of 40 CFR Parts 264 and 265 for the closure and post-closure care of facilities as identified above.

4. For value received from ARC, guarantor guarantees to EPA that in the event that ARC fails to perform closure and post-closure care of the above facilities in accordance with the closure or post-closure plans and other permit or interim status requirements whenever required to do so, the guarantor shall do so or establish a trust fund as specified in Subpart H of 40 CFR Part 264 or 265, as applicable, in the name of ARC in the amount of the current closure or post-closure cost estimates as specified in Subpart H of 40 CFR Parts 264 and 265.

5. Guarantor agrees that if, at the end of any fiscal year before termination of this guarantee, the guarantor fails to meet the financial test criteria, guarantor shall send within 90 days, by certified mail, notice to the EPA Regional Administrator(s) for the Region(s) in which the facilities are located and to ARC that he intends to provide alternate financial assurance as specified in Subpart H of 40 CFR Part 264 or 265, as applicable, in the name of ARC. Within 120 days after the end of such fiscal year, the guarantor shall establish such financial assurance unless ARC has done so.

6. The guarantor agrees to notify the EPA Regional Administrator by certified mail, of a voluntary or involuntary proceeding under Title 11 (Bankruptcy), U.S. Code, naming guarantor as debtor, within 10 days after commencement of the proceeding.

7. Guarantor agrees that within 30 days after being notified by an EPA Regional Administrator of a determination that guarantor no longer meets the financial test criteria or that he is disallowed from continuing as a guarantor or closure or post-closure care, he shall establish alternate financial assurance as specified in Subpart H of 40 CFR Part 264 or 265, as applicable, in the name of ARC unless ARC has done so.

8. Guarantor agrees to remain bound under this guarantee notwithstanding any or all of the following: amendment or modification of the closure or post-closure plan; amendment or modification of the permit; the extension or reduction of the time of performance of closure or post-closure; or any other modification or alteration of an obligation of the owner or operator pursuant to 40 CFR Part 264 or 265.

9. Guarantor agrees to remain bound under this guarantee for so long as ARC must comply with the applicable financial assurance requirements of Subpart H of 40 CFR Parts 264 and 265 for the above-listed facilities, except that guarantor may cancel this guarantee by sending notice by certified mail to the EPA Regional Administrator(s) for the Region(s) in which the facilities are located and to ARC, such cancellation to become effective no earlier than 120 days after receipt of such notice by both EPA and ARC, as evidenced by the return receipts.

10. Guarantor agrees that if ARC fails to provide alternate financial assurance as specified in Subpart H of 40 CFR Part 264 or 265, as applicable, and obtain written approval of such assurance from the EPA Regional Administrator(s) within 90 days after a notice of cancellation by the guarantor is received by an EPA Regional Administrator from guarantor, guarantor shall provide such alternate financial assurance in the name of ARC.

11. Guarantor expressly waives notice of acceptance of this guarantee by the EPA or by ARC. Guarantor also expressly waives notice of amendments or modifications of the closure and/or post-closure plan and of amendments or modifications of the facility permit(s).





ARTHUR ANDERSEN & CO.  
NEW YORK, N. Y.

To Sequa Corporation:

We have audited, in accordance with generally accepted auditing standards, the consolidated financial statements of Sequa Corporation and subsidiaries for the year ended December 31, 1988, and have issued our report thereon dated March 17, 1989. We have not performed any auditing procedures since that date.

At your request, we have read the letter dated March 17, 1989, from Mr. Gerald S. Gutterman, your chief financial officer, to the Director of the Arkansas Department of Pollution Control and Ecology and compared the data included in Part B.7 and B.8 of Alternative II therein that are specified as having been derived from the audited financial statements for the year ended December 31, 1988, referred to above, with the corresponding amounts in these financial statements. In connection with this procedure, no matters came to our attention that caused us to believe that the specified data should be adjusted.

This report is furnished solely for the use of the Company and the Arkansas Department of Pollution Control and Ecology and is not to be used for any other purpose.

*Arthur Andersen & Co.*

March 28, 1989



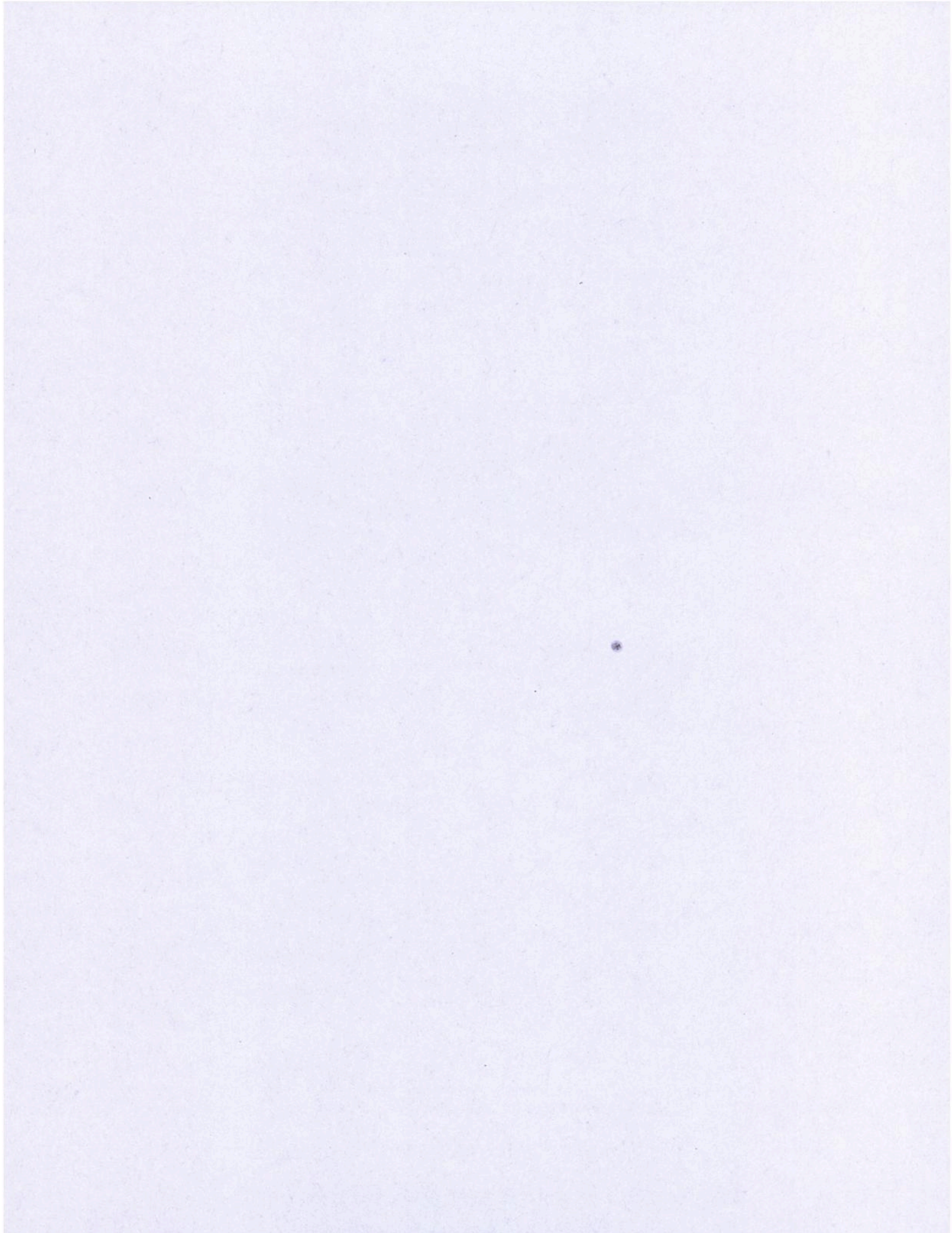


FILE ESTABLISHED PER

RCRA PROGRAMS GRANTS & AUTHORIZATION

DATE: July 8, 1993





APR 20 1995

Mr. Mike Bates, Chief  
Hazardous Waste Division  
Arkansas Department of Pollution  
Control and Ecology  
P.O. Box 8913  
Little Rock, AR 72219-8913

Dear Mr. Bates:

The Environmental Protection Agency (EPA) reviewed the March 24, 1995, letter requesting a third alternate schedule to October 1 1995, in issuing formal enforcement to Atlantic Research Corporation (ARD091688283). The facility was inspected on August 16, 1993, and high priority violations were documented. The letter provides sufficient justification for an alternate schedule, therefore, EPA concurs with the request.

If you have any questions on this matter, please call me at (214) 665-6705 or your staff may call Ms. Katy Griffith at (214) 665-8531.

Sincerely yours,

Walter K. Biggins, Chief  
Grants & Authorization Section

cc: Mr. Joe Hoover, Manager  
Enforcement Branch  
Hazardous Waste Division

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